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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): February 24, 2016**

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**FARO TECHNOLOGIES, INC.**  
(Exact name of registrant as specified in its charter)

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**Florida**  
(State or other jurisdiction  
of incorporation)

**0-23081**  
(Commission  
File Number)

**59-3157093**  
(IRS Employer  
Identification No.)

**250 Technology Park, Lake Mary, Florida 32746**  
(Address of principal executive offices) (Zip Code)

**Registrant's telephone number, including area code: (407) 333-9911**

**N/A**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02. Results of Operations and Financial Condition.**

On February 24, 2016, FARO Technologies, Inc. (the “Company”) issued a press release announcing its results of operations for the fourth fiscal quarter and fiscal year ended December 31, 2015. A copy of the press release is furnished as Exhibit 99.1 hereto and is incorporated herein by reference.

The information furnished pursuant to Item 2.02 and Exhibit 99.1 of this Current Report on Form 8-K shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section. The information in this Current Report shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date of this Current Report, regardless of any general incorporation language in the filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

The following exhibit is furnished with this Current Report on Form 8-K:

<b>Exhibit Number</b>	<b>Description</b>
99.1	Press release dated February 24, 2016

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FARO Technologies, Inc.  
(Registrant)

February 24, 2016

/s/ Laura A. Murphy-Wolf

By: Laura A. Murphy-Wolf

Its: Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press release dated February 24, 2016

NEWS BULLETIN



FARO Technologies, Inc.  
 250 Technology Park  
 Lake Mary, FL 32746

The Measure of Success

FOR IMMEDIATE RELEASE

### FARO Reports Fourth Quarter and Fiscal Year 2015 Financial Results

**LAKE MARY, FL**, February 24, 2016 – FARO Technologies, Inc. (NASDAQ: FARO) today announced its financial results for the fourth quarter and fiscal year ended December 31, 2015.

“FARO performed well in 2015 on many levels,” stated Dr. Simon Raab, Chairman and Interim Chief Executive Officer. “Although our financial results did not meet our internal targets, we successfully launched the FARO Freestyle3D laser scanner, completed two acquisitions to expand our position in the AEC and public safety markets, completed our implementation of our new global enterprise resource planning system as well as continued the development of new products in our R&D pipeline, culminating most recently in our January launch of the new FARO Cobalt Array Imager. We will build on these successes and many other initiatives in 2016.”

#### Fourth quarter results

Revenues for the quarter ended December 31, 2015 were \$91.3 million, compared with \$104.2 million in the fourth quarter last year.

Gross margin for the quarter was 53.3%, compared with 55.0% in the prior year period reflecting higher costs consistent with lower production volume as well as a \$0.7 million severance charge for production and service workforce reductions that commenced in the third quarter. Gross profit of \$48.7 million in the fourth quarter of 2015 compared with \$57.3 million in the fourth quarter of 2014 reflecting lower sales volume.

Operating income for the quarter was \$6.8 million compared with \$13.0 million in the prior year period, reflecting lower sales volume and a total of \$2.0 million in severance charges, partially offset by lower operating expenses.

Net income and EPS for the quarter was \$8.9 million and \$0.52, respectively, compared with \$11.1 million and \$0.64, respectively, in the prior year period. Excluding the impact of the \$2.0 million in severance costs, EPS would have been \$0.60.

In the quarter, FARO repurchased 809,241 shares at a total cost of \$22.8 million.

### **Full year results**

Revenues for the full year 2015 were \$317.5 million, 7.1% lower than the \$341.8 million generated in 2014. Revenues were essentially flat with 2014 when adjusted for a 7% unfavorable foreign exchange impact.

Gross margin for the year was 52.8%, compared with 55.3% in the prior year period primarily reflecting a third quarter inventory reserve adjustment of \$7.9 million and fourth quarter severance costs of \$0.7 million. Excluding the impact of the inventory adjustment and severance charges, gross margin would have been 55.5%. Gross profit for the year was \$167.7 million, or \$21.2 million lower than the prior year.

Operating income of \$13.1 million was down from \$37.3 million in 2014 reflecting lower revenue, an inventory reserve adjustment and severance charges.

Net income for the full year was \$12.8 million, or \$0.74 per share compared with \$33.6 million, or \$1.93 per share, in 2014. Excluding the effect of the inventory reserve adjustment and severance charges, EPS would have been \$1.15 in 2015.

“As one of FARO’s founders and now assuming the interim CEO position, I am encouraged by the depth of talent in the organization, the robustness of our R&D programs and the strength of our long-standing customer relationships,” stated Dr. Raab. “I am as excited about FARO’s future as I was in the early days of the Company’s formation. There is an array of opportunities to be explored in current and adjacent vertical markets where FARO can leverage its technologies and capabilities. We are undertaking several important initiatives to target specific vertical markets, better leverage our sales organization through process modernization, and harmonize global functions to improve efficiencies and reduce SG&A as a percentage of sales while also accelerating the drumbeat of new product introductions. We are looking forward to sharing these initiatives in more detail on our earnings call.”

The financial information included in this press release is preliminary, as the Company has not yet issued its audited financial statements.

*This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties, such as statements about FARO’s long-term*

growth, demand for and customer acceptance of FARO's products, anticipated improvement in the markets in which FARO operates, and FARO's product development and product launches. Statements that are not historical facts or that describe the Company's plans, objectives, projections, expectations, assumptions, strategies, or goals are forward-looking statements. In addition, words such as "is," "are," "expects," "continues," "may," "will," and similar expressions or discussions of FARO's plans or other intentions identify forward-looking statements. Forward-looking statements are not guarantees of future performance and are subject to various known and unknown risks, uncertainties, and other factors that may cause actual results, performances, or achievements to differ materially from future results, performances, or achievements expressed or implied by such forward-looking statements. Consequently, undue reliance should not be placed on these forward-looking statements.

Factors that could cause actual results to differ materially from what is expressed or forecasted in such forward-looking statements include, but are not limited to:

- the Company's inability to successfully identify and acquire target companies or achieve expected benefits from acquisitions that are consummated;
- development by others of new or improved products, processes or technologies that make the Company's products less competitive or obsolete;
- the Company's inability to maintain its technological advantage by developing new products and enhancing its existing products;
- declines or other adverse changes, or lack of improvement, in industries that the Company serves or the domestic and international economies in the regions of the world where the Company operates and other general economic, business, and financial conditions;
- the impact of fluctuations of foreign exchange rates; and
- Other risks detailed in Part I, Item 1A. Risk Factors in the Company's Annual Report on Form 10-K for the year ended December 31, 2015.

Forward-looking statements in this release represent the Company's judgment as of the date of this release. The Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise, unless otherwise required by law.

## **About FARO**

FARO is the world's most trusted source for 3D measurement technology. The Company develops and markets computer-aided measurement and imaging devices and software. Technology from FARO permits high-precision 3D measurement, imaging and comparison of parts and complex structures within production and quality assurance processes. The devices are used for inspecting components and assemblies, rapid prototyping, documenting large volume spaces or structures in 3D, surveying and construction, as well as for investigation and reconstruction of accident sites or crime scenes.

The Company's global headquarters is located in Lake Mary, FL; its European regional headquarters in Stuttgart, Germany; and its Asia Pacific regional headquarters in Singapore. FARO has other offices in the United States, Canada, Mexico, Brazil, Germany, the United Kingdom, France, Spain, Italy, Poland, Turkey, the Netherlands, Switzerland, Portugal, India, China, Malaysia, Vietnam, Thailand, South Korea, and Japan.

More information is available at <http://www.faro.com>

**FARO TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

(in thousands, except share and per share data)	Three Months Ended		Twelve Months Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
<b>SALES</b>				
Product	\$ 77,558	\$ 89,362	\$ 259,842	\$ 284,147
Service	13,769	14,791	57,706	57,679
Total sales	<u>91,327</u>	<u>104,153</u>	<u>317,548</u>	<u>341,826</u>
<b>COST OF SALES</b>				
Product	33,331	36,809	113,983	114,994
Service	9,347	10,071	35,888	37,918
Total cost of sales (exclusive of depreciation and amortization, shown separately below)	<u>42,678</u>	<u>46,880</u>	<u>149,871</u>	<u>152,912</u>
<b>GROSS PROFIT</b>	48,649	57,273	167,677	188,914
<b>OPERATING EXPENSES</b>				
Selling and marketing	21,194	23,950	79,306	80,157
General and administrative	10,368	10,367	37,474	36,479
Depreciation and amortization	3,195	1,908	11,217	7,428
Research and development	7,128	8,070	26,558	27,510
Total operating expenses	<u>41,885</u>	<u>44,295</u>	<u>154,555</u>	<u>151,574</u>
<b>INCOME FROM OPERATIONS</b>	<u>6,764</u>	<u>12,978</u>	<u>13,122</u>	<u>37,340</u>
<b>OTHER (INCOME) EXPENSE</b>				
Interest expense (income), net	(19)	(27)	(55)	(88)
Other expense (income), net	(1,150)	(16)	371	(94)
<b>INCOME BEFORE INCOME TAX EXPENSE (BENEFIT)</b>	7,933	13,021	12,806	37,522
<b>INCOME TAX (BENEFIT) EXPENSE</b>	(952)	1,899	(7)	3,873
<b>NET INCOME</b>	<u>\$ 8,885</u>	<u>\$ 11,122</u>	<u>\$ 12,813</u>	<u>\$ 33,649</u>
<b>NET INCOME PER SHARE - BASIC</b>	<u>0.52</u>	<u>\$ 0.64</u>	<u>\$ 0.74</u>	<u>\$ 1.95</u>
<b>NET INCOME PER SHARE - DILUTED</b>	<u>\$ 0.52</u>	<u>\$ 0.64</u>	<u>\$ 0.74</u>	<u>\$ 1.93</u>
<b>Weighted average shares - Basic</b>	<u>17,051,427</u>	<u>17,288,507</u>	<u>17,288,665</u>	<u>17,247,727</u>
<b>Weighted average shares - Diluted</b>	<u>17,103,622</u>	<u>17,467,066</u>	<u>17,389,473</u>	<u>17,416,453</u>



**FARO TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(UNAUDITED)

(in thousands, except share data)	December 31, 2015	December 31, 2014
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 107,356	\$ 109,289
Short-term investments	42,994	64,995
Accounts receivable, net	69,918	83,959
Inventories, net	45,571	43,094
Deferred income taxes, net	7,792	5,936
Prepaid expenses and other current assets	18,527	16,079
Total current assets	292,158	323,352
Property and equipment:		
Machinery and equipment	54,124	45,254
Furniture and fixtures	5,945	6,156
Leasehold improvements	18,471	19,676
Property and equipment at cost	78,540	71,086
Less: accumulated depreciation and amortization	(42,594)	(41,741)
Property and equipment, net	35,946	29,345
Goodwill	26,371	19,205
Intangible assets, net	15,985	9,109
Service and sales demonstration inventory, net	33,709	36,886
Deferred income taxes, net	4,050	6,624
Other long-term assets	967	942
Total assets	\$ 409,186	\$ 425,463
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 11,345	\$ 15,437
Accrued liabilities	22,574	26,127
Current portion of unearned service revenues	26,114	23,572
Customer deposits	2,998	2,046
Total current liabilities	63,031	67,182
Unearned service revenues - less current portion	15,025	13,799
Deferred income tax liability	686	—
Other long-term liabilities	2,800	628
Total liabilities	81,542	81,609
Shareholders' equity:		
Preferred stock - par value \$0.01, 10,000,000 shares authorized; none issued	—	—
Common stock - par value \$0.01, 50,000,000 shares authorized; 18,077,594 and 17,997,665 issued; 16,588,118 and 17,317,430 outstanding, respectively	18	18
Additional paid-in capital	206,996	200,090
Retained earnings	172,329	159,516
Accumulated other comprehensive loss	(19,861)	(6,695)
Common stock in treasury, at cost - 1,489,476 and 680,235 shares, respectively	(31,838)	(9,075)
Total shareholders' equity	327,644	343,854
Total liabilities and shareholders' equity	\$ 409,186	\$ 425,463

**FARO TECHNOLOGIES, INC. AND SUBSIDIARIES**  
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME  
(UNAUDITED)

(in thousands)	Years ended December 31,		
	2015	2014	2013
Net income	\$ 12,813	\$ 33,649	\$21,509
Currency translation adjustments, net of tax	(13,166)	(13,961)	925
Comprehensive (loss) income	\$ (353)	\$ 19,688	\$22,434

**FARO TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

(in thousands)	Years Ended December 31,		
	2015	2014	2013
<b>CASH FLOWS FROM:</b>			
<b>OPERATING ACTIVITIES:</b>			
Net income	\$ 12,813	\$ 33,649	\$ 21,509
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	11,217	7,428	7,038
Compensation for stock options and restricted stock units	4,306	4,678	4,367
Provision for bad debts (net recovery of)	346	(306)	1,001
Loss on disposal of assets	947	—	—
Write-down of inventories	10,878	3,272	1,167
Deferred income tax (benefit) expense	(655)	(4,707)	645
Income tax benefit from exercise of stock options	(313)	(169)	(969)
Change in operating assets and liabilities:			
Decrease (increase) in:			
Accounts receivable	9,584	(24,587)	(4,053)
Inventories	(18,021)	(21,995)	(1,286)
Prepaid expenses and other assets	(2,834)	(3,501)	(3,346)
(Decrease) increase in:			
Accounts payable and accrued liabilities	(6,401)	8,867	6,108
Income taxes payable	—	(1,560)	(2,028)
Customer deposits	1,114	(724)	353
Unearned service revenues	5,051	5,313	3,772
Net cash provided by operating activities	<u>28,032</u>	<u>5,658</u>	<u>34,278</u>
<b>INVESTING ACTIVITIES:</b>			
Proceeds from sale of investments	22,001	—	—
Purchases of property and equipment	(14,169)	(18,722)	(4,350)
Payments for intangible assets	(2,140)	(1,221)	(2,204)
Purchase of business acquired, net of cash	(12,066)	(1,150)	—
Net cash used in investing activities	<u>(6,374)</u>	<u>(21,093)</u>	<u>(6,554)</u>
<b>FINANCING ACTIVITIES:</b>			
Payments on capital leases	(8)	(8)	(93)
Repurchase of common stock	(22,763)	—	—
Income tax benefit from exercise of stock options	313	169	969
Proceeds from issuance of stock, net	2,287	3,369	5,444
Net cash (used in) provided by financing activities	<u>(20,171)</u>	<u>3,530</u>	<u>6,320</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(3,420)</u>	<u>(3,436)</u>	<u>(2,647)</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,933)	(15,341)	31,397
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>109,289</u>	<u>124,630</u>	<u>93,233</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$107,356</u>	<u>\$109,289</u>	<u>\$124,630</u>